

**STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD**

DIVISION OF WATER RIGHTS

PERMIT FOR DIVERSION AND USE OF WATER

PERMIT 21199

Application 31615 of

Lassen Station Hydroelectric
8630 North Mercer Way
Mercer Island, WA 98040

filed on May 4, 2006, has been approved by the State Water Resources Control Board (State Water Board)
SUBJECT TO PRIOR RIGHTS and to the limitations and conditions of this permit.

Permittee is hereby authorized to divert and use water as follows:

1. Source of water

Source:

Camp Creek

Tributary to:

North Fork Feather River thence

Feather River thence

Sacramento River

within the County of Butte

2. Location of point of diversion

By California Coordinate System of 1927 in Zone 2	40-acre subdivision of public land survey or projection thereof	Section (Projected)*	Township	Range	Base and Meridian
North 700 feet and West 1,900 feet from SE corner of section 21	SW $\frac{1}{4}$ of SE $\frac{1}{4}$	21	23N	5E	MD

3. Purpose of use	4. Place of use	Section	Township	Range	Base and Meridian	Acres
Power Generation	Lassen Station Powerhouse NW $\frac{1}{4}$ of NE $\frac{1}{4}$	28	23N	5E	MD	

The place of use is shown on map filed with the State Water Board.

- 5a. The water appropriated shall be limited to the quantity which can be beneficially used and shall not exceed **7.9 cubic feet per second** to be diverted from **January 1 to December 31** of each year. The maximum amount diverted under this permit shall not exceed 5,718 acre-feet per year.

(0000005A)

6. Construction work and complete application of the water to the authorized use shall be prosecuted with reasonable diligence and completed by December 31, 2017.

(0000009)

7. This permit shall not be construed as conferring upon the permittee right of access to the point of diversion.
(0000022)
8. If it is determined after permit issuance that the as-built conditions of the project are not correctly represented by the map(s) prepared to accompany the application, permittee shall, at his expense have the subject map(s) updated or replaced with equivalent as-built map(s). Said revision(s) or new map(s) shall be prepared by a civil engineer or land surveyor registered or licensed in the State of California and shall meet the requirements prescribed in section 715 and sections 717 through 723 of the California Code of Regulations, Title 23. Said revision(s) or map(s) shall be furnished upon request of the Chief, Division of Water Rights.
(0000030)
9. Permittee shall, prior to construction, file a Report of Waste Discharge pursuant to Water Code Section 13260 with the California Regional Water Quality Control Board, Central Valley Region (Regional Board), and shall comply with all Waste Discharge Requirements issued by the Regional Board. If the Regional Board waives issuance of Waste Discharge Requirements, permittee shall comply with Parts I and II of the "Guidelines for Protection of Water Quality During Construction and Operation of Small Hydro Projects" (Guidelines) as contained in the Water Quality Control Plans of the Central Valley Basin.

Specific requirements set forth in this permit shall prevail over any specific or general requirements in the referenced Guidelines in the event of conflict.

When complying with the Guidelines, pursuant to this condition, permittee shall not commence construction until the Erosion Control Plan and any baseline data required by the Guidelines have been submitted to and approved in writing by the Regional Board; and before commencing sluicing operations, permittee shall submit and receive written approval from the Regional Board of the Sluicing Operation Plan.
(0000102)
10. Water diverted under this permit is for nonconsumptive use and is to be released to Camp Creek within the NW¼ of NE¼ of Section 28, T23N, R5E, MDB&M.
(0000111)
11. All rights and privileges to appropriate water for power purposes under this permit and any subsequently issued license are subject to depletions resulting from future upstream appropriation for domestic and stockwatering uses within the watershed. Such rights and privileges under this permit may also be subject to future upstream appropriations for uses within the watershed other than domestic and stockwatering if and to the extent that the Board determines, pursuant to Water Code Sections 100 and 275, that the continued exercise of the appropriation for power purposes is unreasonable in light of such proposed uses. Any such determination shall be made only after notice to permittee or licensee of an application for any such future upstream appropriation and the opportunity to be heard; provided that a hearing, if requested, may be consolidated with the hearing on such applications.
(000000I)
12. No water shall be used under this permit until all necessary federal, state and local approvals have been obtained, including compliance with any applicable Federal Energy Regulatory Commission requirements.
(000000J)
13. Permittee shall forward to the State Water Board all pertinent Federal Energy Regulatory commission filings that may impact the diversion and use of water associated with this project.
(000000J)
14. The State Water Board reserves continuing authority to examine fishery and public trust uses as they relate to this permit and to modify the terms of this permit accordingly to the extent that federal law in effect at the time of the modification allows. No action will be taken pursuant to this permit term unless

the Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore uses protected by the public trust.

(000000J)

ALL PERMITS ISSUED BY THE STATE WATER RESOURCES CONTROL BOARD ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

- A. The amount authorized for appropriation may be reduced in the license if investigation warrants.
(0000006)
- B. Progress reports shall be submitted promptly by permittee when requested by the State Water Resources Control Board (State Water Board) until a license is issued.
(0000010)
- C. Permittee shall allow representatives of the State Water Board and other parties, as may be authorized from time to time by said State Water Board, reasonable access to project works to determine compliance with the terms of this permit.
(0000011)
- D. Pursuant to California Water Code sections 100 and 275, and the common law public trust doctrine, all rights and privileges under this permit and under any license issued pursuant thereto, including method of diversion, method of use, and quantity of water diverted, are subject to the continuing authority of State Water Board in accordance with law and in the interest of the public welfare to protect public trust uses and to prevent waste, unreasonable use, unreasonable method of use, or unreasonable method of diversion of said water.

The continuing authority of the State Water Board may be exercised by imposing specific requirements over and above those contained in this permit with a view to eliminating waste of water and to meeting the reasonable water requirements of permittee without unreasonable draft on the source. Permittee may be required to implement a water conservation plan, features of which may include but not necessarily be limited to (1) reusing or reclaiming the water allocated; (2) using water reclaimed by another entity instead of all or part of the water allocated; (3) restricting diversions so as to eliminate agricultural tailwater or to reduce return flow; (4) suppressing evaporation losses from water surfaces; (5) controlling phreatophytic growth; and (6) installing, maintaining, and operating efficient water measuring devices to assure compliance with the quantity limitations of this permit and to determine accurately water use as against reasonable water requirements for the authorized project. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such specific requirements are physically and financially feasible and are appropriate to the particular situation.

The continuing authority of the State Water Board also may be exercised by imposing further limitations on the diversion and use of water by the permittee in order to protect public trust uses. No action will be taken pursuant to this paragraph unless the State Water Board determines, after notice to affected parties and opportunity for hearing, that such action is consistent with California Constitution Article X, Section 2; is consistent with the public interest; and is necessary to preserve or restore the uses protected by the public trust.

(0000012)

- E. The quantity of water diverted under this permit and under any license issued pursuant thereto is subject to modification by the State Water Board if, after notice to the permittee and an opportunity for hearing, the State Water Board finds that such modification is necessary to meet water quality objectives in water quality control plans which have been or hereafter may be established or modified pursuant to Division 7 of the Water Code. No action will be taken pursuant to this paragraph unless the State Water Board finds that (1) adequate waste discharge requirements have been prescribed and are in effect with respect to all waste discharges which have any substantial effect upon water quality in the area involved, and (2) the water quality objectives cannot be achieved solely through the control of waste discharges.

(0000013)

- F. This permit does not authorize any act that results in the taking of a threatened or endangered species or any act that is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish & G. Code, §§ 2050 - 2097) or the federal Endangered Species Act (16 U.S.C.A. §§ 1531 - 1544). If a "take" will result from any act authorized under this water right, the permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this permit. (0000014)
- G. Permittee shall maintain records of the amount of water diverted and used to enable the State Water Board to determine the amount of water that has been applied to beneficial use pursuant to Water Code Section 1605. (0000015)
- H. No work shall commence and no water shall be diverted, stored or used under this permit until a copy of a stream or lake alteration agreement between the State Department of Fish and Game and the permittee is filed with the Division of Water Rights. Compliance with the terms and conditions of the agreement is the responsibility of the permittee. If a stream or lake agreement is not necessary for this permitted project, the permittee shall provide the Division of Water Rights a copy of a waiver signed by the State Department of Fish and Game. (0000063)

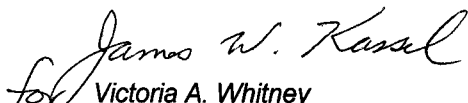
This permit is issued and permittee takes it subject to the following provisions of the Water Code:

Section 1390. A permit shall be effective for such time as the water actually appropriated under it is used for a useful and beneficial purpose in conformity with this division (of the Water Code), but no longer.

Section 1391. Every permit shall include the enumeration of conditions therein which in substance shall include all of the provisions of this article and the statement that any appropriator of water to whom a permit is issued takes it subject to the conditions therein expressed.

Section 1392. Every permittee, if he accepts a permit, does so under the conditions precedent that no value whatsoever in excess of the actual amount paid to the State therefor shall at any time be assigned to or claimed for any permit granted or issued under the provisions of this division (of the Water Code), or for any rights granted or acquired under the provisions of this division (of the Water Code), in respect to the regulation by any competent public authority of the services or the price of the services to be rendered by any permittee or by the holder of any rights granted or acquired under the provisions of this division (of the Water Code) or in respect to any valuation for purposes of sale to or purchase, whether through condemnation proceedings or otherwise, by the State or any city, city and county, municipal water district, irrigation district, lighting district, or any political subdivision of the State, of the rights and property of any permittee, or the possessor of any rights granted, issued, or acquired under the provisions of this division (of the Water Code).

STATE WATER RESOURCES CONTROL BOARD


Victoria A. Whitney
Division Chief

Dated: **AUG 28 2007**

STATE OF CALIFORNIA
CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
STATE WATER RESOURCES CONTROL BOARD

DIVISION OF WATER RIGHTS

ORDER WR 2007-0029-DWR

In the Matter of Application 31615

Lassen Station Hydroelectric

ORDER APPROVING ISSUANCE OF PERMIT

SOURCE: Camp Creek tributary to North Fork Feather River

COUNTY: Butte

WHEREAS:

1. Application 31615 was filed with the State Water Resources Control Board (State Water Board) on May 4, 2006.
2. The application was noticed and there were no protests to approval of the application.
3. The State Water Board has determined that there is unappropriated water available to serve Application 31615. Pursuant to Permit 19350 (Application 27222) Lassen Station Hydroelectric is authorized to divert 30 cfs. Application 31615 seeks authorization to divert an additional 7.9 cfs, for a total of 37.9 cfs.

The Division of Water Rights (Division) inspected the project on August 4, 2000 and received flow data from WAVE Engineers, Inc. that was incorporated into the Report of Inspection. The flow data documents that the maximum daily average flow through the facility is 37.9 cubic feet per second (cfs). Division staff calculated the 14-day average flow through the facility is 37.6 cfs. The Applicant was complying with required bypass flows required by the Federal Energy Regulatory Commission (FERC) for the project during the period when the 37.9 cfs flow through the facility was measured.

4. The water will be diverted and used without injury to any lawful user of water. The project is a non-consumptive hydroelectric power generation project that returns flow to the stream system. The only known diverter in the vicinity of this project is Pacific Gas and Electric Company (PG&E). PG&E did not protest the application.
5. This project is subject to federal regulation by FERC and is required to operate in accordance with the requirements of its federal power license. Application of state water right law to federally licensed hydropower projects is subject to preemption except as appropriate for regulation and protection of proprietary water rights. (*California v. Federal Energy Regulatory Commission* (1990) 495 U.S. 490; *Sayles Hydro Assocs. v. Maughan* (9th Cir. 1993) 985 F. 2d 451.) Due to federal preemption of state law, the State Water Board has not evaluated the effects of the proposed water diversions on fish, wildlife, or other instream beneficial uses, or public trust issues in the context of processing this water right application.

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6. The applicant requests a right to directly divert water for hydroelectric power generation. Diversion of water for hydropower generation is considered a beneficial use of water under California Code of Regulations, title 23, division 3, section 662.

NOW, THEREFORE, IT IS ORDERED THAT A PERMIT IS ISSUED FOR APPLICATION 31615, subject to the conditions of the attached permit.

STATE WATER RESOURCES CONTROL BOARD

For James W. Kussel
Victoria A. Whitney, Chief
Division of Water Rights

Dated: **AUG 28 2007**

Attachment